REMARKS

Summary of the Office Action

Claims 2-47 are pending in this application.

Claims 11-16 have been rejected as being anticipated by "Ambalink Universal News Services Limited," Universal News Services, PR Newswire, London, June 8, 1999 ("Ambalink"). Although not directly stated, it appears that claims 17-20 have also been rejected as being anticipated by Ambalink.

Claims 2, 3, 5-10, 17, 21, 22, 24-28, 30-35, and 39-44 have been rejected as unpatentable over Friedland et al. (U.S. Patent No. 6,449,601) ("Friedland").

Claims 4, 10, 18-20, 29, 36-38, and 45-47 have been rejected as unpatentable over Friedland in view of Ambalink.

Telephone Interview

Applicant thanks Examiner Poinvil for the courtesies extended to applicant's representative during a telephone interview on November 28, 2004. During the telephone interview, applicant's representative noted that the present invention is directed to on-line electronic commerce systems and methods and not to a live auction. Examiner Poinvil suggested inserting language into the independent claims that specifies which portions of applicant's invention are performing which functions. Applicant has amended the independent claims per Examiner Poinvil's suggestion and believe that all of the claims are in condition for allowance.

Applicant's Response

Applicant respectfully submits that neither Friedland nor Ambalink, either alone or in combination, teach or suggest all of the features of applicant's claimed invention.

14

Although applicant believes that original independent claims 2, 11, 21 and 39 patentably distinguish over the prior art, in an effort to advance prosecution, applicant has amended independent claims 2, 11, 21 and 39 to more specifically state features recited in the previously presented claims. Applicant has amended independent claims 2, 21, and 39 to recite: 1) registering a user with a vendor; and 2) determining whether the user has an account balance exceeding a predetermined amount if performed <u>after</u> registration is completed. Support for these recitations is provided throughout the specification, *e.g.*, at page 17, line 9 through page 18, and page 25, lines 20-30.

Claims 2, 21, and 39 each recite "determining whether the user has an account balance exceeding a predetermined amount... wherein determining whether the user has an account balance exceeding a predetermined amount is performed after registering is completed." Friedland does not disclose such a system.

Friedland discloses a distributed live auction wherein remote bidders may place bids on items sold at a live auction. The remote bidder logs into a distributed live auction and registers. The remote bidder may follow a course of the live auction in real-time and submit bids. The bids submitted by the remote bidder are forwarded to an auctioneer who places the remote bidder's bid. See, e.g., column 3, lines 9-64.

During registration, the distributed live auction may prevent a user from registering if credit information is not verifiable or is inadequate. See, column 11, lines 31-33. If the user's registration is rejected, the user may not be able to follow the auction nor view items being auctioned.

Applicant's claimed invention relates to a method for conducting electronic commerce wherein a determination is made, **after** registration is complete, whether a user has an account

15

balance exceeding a predetermined amount. Unlike Friedland, applicant's invention enables users, whether or not registered, to browse and view a vendor's web pages, products, and services even though an applicant's credit information is incomplete, omitted or unverifiable.

By determining whether the account balance exceeds the predetermined amount after registration, this enables users to view the vendor's web pages, products, and/or services, and prevent the users from creating an order for any of the products or services unless the account balance exceeds the predetermined amount. For example, a vendor's lowest cost product or service may be $9.99. Therefore, if the user does not have an account balance of at least $9.99, the user may be able to create an order for any of the vendor's products or services. This may include preventing the user from creating an order list and making an order for purchases or rentals.

The user, however, may still view the products and services. Therefore, if the user desires to make a purchase, the user may add funds to the account balance or provide an authorization to charge a credit account such that the purchase of the product or service may be transferred.

Independent claim 11 has been amended to recite "electronically transmitting an authorization code from the first server to the client device, wherein the authorization code enables the user to electronically receive the item." Independent claim 30 recites "electronically delivering an authorization code that is employed in conjunction with the downloadable software files offered by the vendor. Neither Ambalink nor Friedland disclose such a feature. The Office Action acknowledges that "Friedland et al do not explicitly teach the step of 'electronically delivering includes transmitting an authorization code.' Office Action, ¶ 3. The

16

Office Action, however, alleges that "the Ambalink system teaches... an authorization code is transmitted to the consumers." Id. This is incorrect. The only mention of a code in Ambalink is a "secret code" and that the consumer "sign the [purchase] request using his secret code, returning it to KLELine." The secret code is thus transmitted from the client device to KLELine, **not** from the first server to the client device as claimed.

Additionally, the secret code disclosed in Ambalink does not enable the consumer to receive the goods electronically. The secret code merely enables the consumer to authenticate the order so that the order may be confirmed. The secret code does not in any way enable items to be received electronically as claimed by applicant.
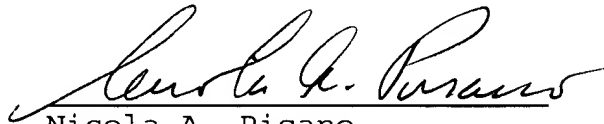
Furthermore, applicant respectfully submits that Ambalink may not be used as a reference because it is non-enabling. Ambalink does not teach one of ordinary skill in the art how to make and use the system. Ambalink merely provides an overall description of how the system operates. It does not teach one of ordinary skill in the art how to construct such a system that operates in the manner described.

Applicant respectfully submits that independent claims 2, 11, 21, 30, and 39 patentably distinguish over the prior art, and thus dependent claims 3-10, 12-20, 22-29, 31-38, and 40-47 also patentably distinguish over the prior art for at least the same reasons.

CONCLUSION

In view of the foregoing, applicant respectfully submits that the application is in condition for allowance. An early and favorable action is earnestly requested.

Respectfully submitted,

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